

## APPENDIX 1: TNB RESTRUCTURING CIRCULAR 1995

# TENAGA NASIONAL BERHAD

Ruj. Kami: TNB 01/5/4

## PEKELILING Pengerusi Eksekutif BIL. 7/95 STRUKTUR ORGANISASI TENAGA NASIONAL BERHAD



### 1.0 Objektif

Tujuan Pekeliling ini adalah untuk memaklumkan mengenai pelaksanaan struktur baru Tenaga Nasional Berhad (TNB).

### 2.0 Struktur Organisasi Baru

Struktur baru organisasi mengandungi empat bahagian utama, iaitu:-

- Pembekalan Tenaga
- Usaha Niaga
- Kewangan
- Korporat

Tiap-tiap bahagian akan diterajui oleh seorang **Pengurus Besar Kanan** yang akan melapor dan bertanggungjawab terus kepada **Pengerusi Eksekutif**. Struktur keseluruhannya adalah seperti di **Lampiran A**. Struktur sesuatu organisasi adalah dinamik, adalah berkemungkinan ianya perlu disejajar dan disesuaikan semula semasa pelaksanaannya.

### 3.0 Pengurus Besar Kanan (Pembekalan Tenaga)

Pengurus Besar Kanan (Pembekalan Tenaga) bertanggungjawab terhadap hal-hal berkaitan dengan pengendalian bekalan tenaga oleh TNB seperti berikut:

- Penjanaan
- Penghantaran
- Pembahagian

dan sebuah Unit Urusniaga Tenaga dan Perancangan Sistem. Strukturnya adalah seperti di **Lampiran B1**.

um

# TENAGA NASIONAL BERHAD

Our Ref.: TNB 01/5/4

## EXECUTIVE CHAIRMAN'S CIRCULAR NO. 7/95 ORGANISATIONAL STRUCTURE OF TENAGA NASIONAL BERHAD

### 1.0 Objective

The objective of this Circular is to inform the implementation of the new organisational structure of Tenaga Nasional Berhad (TNB).

### 2.0 New Organisational Structure

The new organisational structure has been divided into four major divisions, namely:-

- Power Supply
- Business Ventures
- Finance
- Corporate

Each division is led by a **Senior General Manager** who shall report and be answerable directly to the **Executive Chairman**. The overall structure is shown in Appendix A. An organisational structure is dynamic, there may be a need to realign and adjust during its implementation.

### 3.0 Senior General Manager (Power Supply)

The Senior General Manager (Power Supply) is responsible for the operation of the core business of TNB namely:

- Generation
- Transmission
- Distribution

and the Power Transaction and System Planning Unit. The structure is shown in Appendix B1.

### **3.1 Pengurus Besar (Penjanaan)**

Pengurus Besar (Penjanaan) adalah bertanggungjawab terhadap hal-hal yang berkaitan dengan Pengendalian dan Penyenggaraan Loji-Loji dan Alat-Alat Kelengkapan, Kejuruteraan dan Pembangunan Projek-Projek. Strukturnya adalah seperti di **Lampiran B2**.

### **3.2 Pengurus Besar (Penghantaran)**

Pengurus Besar (Penghantaran) adalah bertanggungjawab terhadap Projek-Projek Penghantaran, Penyenggaraan Sistem, Pengendalian Telekontrol dan Penyenggaraan serta Pembangunan Telekomunikasi. Strukturnya adalah seperti di **Lampiran B3**.

### **3.3 Pengurus Besar (Pembahagian)**

Pengurus Besar (Pembahagian) adalah bertanggungjawab terhadap semua aktiviti pembahagian termasuklah Perkhidmatan Pelanggan, Pengendalian, Penyenggaraan dan Pembangunan, dan Sistem Pembahagian dan Pembangunan. Beliau juga bertanggungjawab dalam aspek pengendalian bagi cawangan-cawangan wilayah dan sistem-sistem pembahagian. Strukturnya adalah seperti di **Lampiran B4**.

### **3.4 Timbalan Pengurus Besar (Urusniaga Tenaga dan Perancangan Sistem)**

Timbalan Pengurus Besar (Urusniaga Tenaga dan Perancangan Sistem) adalah bertanggungjawab terhadap Urusniaga Tenaga, Penempatan Tapak Stesen-Stesen Janaelektrik, Perancangan Penghantaran Wilayah dan Perancangan Pembahagian. Strukturnya adalah seperti di **Lampiran B1**.

## **4.0 Pengurus Besar Kanan (Usaha Niaga)**

Pengurus Besar Kanan (Usaha Niaga) bertanggungjawab terhadap hal-hal pembangunan dan pelaksanaan yang mana termasuklah kajian kebolehlaksanaan terperinci usaha-usaha perniagaan baru dalam negeri dan antarabangsa yang dikenalpasti melalui Unit Perancangan Korporat; mengawas, menyelaras serta mengaudit aktiviti-aktiviti perniagaan yang dijalankan oleh anak-anak syarikat dan syarikat-syarikat bersekutu, samada anak syarikat milik penuh TNB atau syarikat yang mana TNB mempunyai penyertaan ekuiti. Pengurus Besar Kanan (Usaha Niaga) dibantu oleh Unit Pembangunan dan Pelaksanaan Perniagaan. Strukturnya disertakan sebagai **Lampiran C**.



**3.1 General Manager (Generation)**

The General Manager (Generation) is responsible for the Operations and Maintenance of Plants and Equipments, Engineering and Projects Development. The structure is shown in **Appendix B2**.

**3.2 General Manager (Transmission)**

The General Manager (Transmission) is responsible for the Transmission Projects, System Maintenance, Telecontrol Operations and Maintenance and Telecommunications Development. The structure is shown in **Appendix B3**.

**3.3 General Manager (Distribution)**

The General Manager (Distribution) is responsible for all distribution activities including Customer Services, Operations, Maintenance & Development, Distribution Systems & Development and the operational aspects of regional branches and distribution systems. The structure is shown in **Appendix B4**.

**3.4 Deputy General Manager (Power Transaction & System Planning)**

The Deputy General Manager (Power Transaction & System Planning) is responsible for Power Transaction, Siting of Power Stations, Regional Transmission Planning and Distribution Planning. The structure is shown in **Appendix B1**.

**4.0 Senior General Manager (Business Ventures)**

The Senior General Manager (Business Ventures) is responsible for the development and implementation which includes detailed feasibility studies of new domestic and international business ventures identified through the Corporate Planning Unit; coordinating, monitoring and auditing of the business activities of the subsidiaries and associated companies, either TNB wholly owned subsidiaries or the companies in which TNB has equity participation. The Senior General Manager (Business Ventures) is supported by the Business Development and Implementation Unit. The structure is shown in **Appendix C**.

#### **5.0 Pengurus Besar Kanan (Kewangan)**

Pengurus Besar Kanan (Kewangan) adalah bertanggungjawab terhadap hasil kewangan dan perbelanjaan Tenaga Nasional Berhad termasuklah Cukai, Belanjawan, Pelaburan, Tukaran Asing, Pembilan Pelanggan dan Akaun, Sistem Maklumat dan Aktiviti Perolehan, Kawalan Bahan dan Sistem Maklumat Pengurusan Bahan. Strukturnya adalah seperti di **Lampiran D1**.

##### **5.1 Pengurus Besar (Kewangan)**

Pengurus Besar (Kewangan) adalah bertanggungjawab terhadap Pembilan Pelanggan dan Akaun, Pengurusan Kewangan, Perancangan Kewangan dan Dana, Pengurusan Perbendaharaan, Pelaburan, Belanjawan dan Cukai. Strukturnya adalah seperti di **Lampiran D2**.

##### **5.2 Pengurus Besar (Perolehan)**

Pengurus Besar (Perolehan) adalah bertanggungjawab dalam pembelian bagi Penjanaan, Penghantaran dan Pembahagian, Perkhidmatan Perolehan, Kawalan Bahan dan Sistem Maklumat Pengurusan Bahan. Penentuan teknikal dan penilaian tender akan diuruskan secara berasingan oleh jabatan pengguna yang berkaitan. Penilaian muktamad dibuat oleh Jabatan Perolehan. Strukturnya adalah seperti di **Lampiran D3**.

#### **6.0 Pengurus Besar Kanan (Korporat)**

Pengurus Besar Kanan (Korporat) adalah bertanggungjawab terhadap Pengurusan Sumber Manusia dan Pembangunan Organisasi, Pentadbiran dan Perkhidmatan, Setiausaha Syarikat, Pengurusan Kontrak, Pendaftaran Saham, Hal-Ehwal Perundangan, Perhubungan Korporat, Perhubungan Pekerja, Pengurusan Risiko, Perkhidmatan Keselamatan dan Perhubungan dengan Jabatan-Jabatan Kerajaan. Strukturnya adalah seperti di **Lampiran E1**.

#### 5.0 Senior General Manager (Finance)

The Senior General Manager (Finance) is responsible for the financial revenue and expenditure of the Tenaga Nasional Berhad which includes Taxation, Budget, Investment, Foreign Exchange, Customer Billings and Accounts, Information System and Procurement Activities, Material Handlings and Material Management Information System. The structure is shown in **Appendix D1**.

#### 5.1 General Manager (Finance)

The General Manager (Finance) is responsible for Customer Billings & Accounts, Financial Management, Financial Planning & Funding, Treasury Management, Investment, Budget and Tax. The structure is shown in **Appendix D2**.

#### 5.2 General Manager (Procurement)

The General Manager (Procurement) is responsible for the Generation, Transmission and Distribution Purchases, Procurement Services, Material Handling and Material Management Information System. Technical specification and evaluation of tenders will be done independently by the respective users. The final evaluation will be carried out by the Procurement Department. The structure is shown in **Appendix D3**.

#### 6.0 Senior General Manager (Corporate)

The Senior General Manager (Corporate) is responsible for Human Resource Management and Organisational Development, Administration and Services, Company Secretary, Contract Management, Share Registration, Legal Affairs, Corporate Communications, Employee Communications, Risk Management, Security Services and Liaison with Government Departments. The structure is shown in **Appendix E1**.

**6.1 Pengurus Besar (Sumber Manusia dan Pembangunan Organisasi)**

Pengurus Besar (Sumber Manusia dan Pembangunan Organisasi) adalah bertanggungjawab terhadap Pembangunan Organisasi, Perkhidmatan Sumber Manusia, Perancangan, Pembangunan dan Latihan Sumber Manusia, Pampasan dan Faedah Pekerja, Perhubungan Perindustrian, Hal-Ehwal Persatuan Pekerja, Sistem Maklumat Sumber Manusia, Peningkatan Kualiti dan Produktiviti, Peningkatan Sistem dan Proses. Strukturnya adalah seperti di Lampiran E2.

**6.2 Pengurus Besar (Hal-Ehwal Korporat)**

Pengurus Besar (Hal-Ehwal Korporat) adalah bertanggungjawab terhadap Perhubungan Korporat, Pengurusan Risiko termasuk Kesihatan dan Keselamatan Pekerjaan, Insurans, Perhubungan dengan Jabatan-Jabatan Kerajaan yang berkaitan, Perhubungan Pekerja dan Protokol, Pentadbiran dan Perkhidmatan. Strukturnya adalah ditunjukkan dalam Lampiran E3.

**6.3 Setiausaha Syarikat**

Setiausaha Syarikat adalah bertanggungjawab terus kepada Pengurus Besar Kanan (Korporat). Pejabat Setiausaha Syarikat adalah berfungsi sebagai Urusetia Lembaga Pengarah, Pendaftaran Saham, Pengurusan Kontrak, Hal-Ehwal Perundangan dan Perhubungan dengan Badan-Badan Kawalselia dan Jabatan-Jabatan Kerajaan termasuklah Pendaftar Syarikat, Jawatankuasa Pelaburan Asing, Bursa Saham Kuala Lumpur, Jabatan Bekalan Elektrik, Unit Perancangan Ekonomi; memberi perkhidmatan kesetiausahaan kepada anak-anak syarikat dan adalah penyimpan fail-fail sulit TNB yang berkaitan dengan dasar. Strukturnya adalah ditunjukkan dalam Lampiran E4.

**7.0 Jabatan Audit Korporat**

Jabatan Audit Korporat merupakan satu unit berasingan yang bertanggungjawab terus kepada Lembaga Pengarah melalui Jawatankuasa Audit Lembaga Pengarah dan pentadbirannya adalah di bawah Pengerusi Eksekutif. Strukturnya adalah seperti di Lampiran F.

**6.1 General Manager (Human Resource and Organisational Development)**

The General Manager (Human Resource and Organisational Development) is responsible for the Organisational Development, Human Resource Services, Human Resource Planning, Development & Training, Employee Compensation & Benefits, Industrial Relations, Union Affairs, Human Resource Information System, Quality and Productivity Improvement, Systems and Process Improvement. The structure is shown in **Appendix E2**.

**6.2 General Manager (Corporate Affairs)**

The General Manager (Corporate Affairs) is responsible for the Corporate Communications, Risk Management including Occupational Safety and Health, Insurances, Liaison with appropriate Government Departments, Employee Communications and Protocol, Administration and Services. The structure is shown in **Appendix E3**.

**6.3 Company Secretary**

The Company Secretary is directly responsible to the Senior General Manager (Corporate). The office of the Company Secretary functions as the Secretariat to the Board of Directors, Share Registration, Contract Management, Legal Affairs and Liaison with Regulatory Bodies and Government Departments which include Registrar of Companies, Foreign Investment Committee, Kuala Lumpur Stock Exchange, Electricity Supply Department, Economic Planning Unit; provides secretarial services to the subsidiary companies and is the custodian of TNB's confidential files pertaining to policy matters. The structure is shown in **Appendix E4**.

**7.0 Corporate Audit Department**

The Corporate Audit Department is an independent unit which reports directly to the **Board of Directors** through the **Audit Committee of the Board of Directors** and administratively to the **Executive Chairman**. The structure is shown in **Appendix F**.

#### 8.0 Unit Perancangan Korporat

Unit Perancangan Korporat adalah satu unit berasingan yang melapor terus kepada Pengerusi Eksekutif. Unit ini diterajui oleh Pengurus Besar (Perancangan Korporat) dan bertanggungjawab terhadap Perancangan Teknik termasuklah Ramalan Permintaan Tenaga, Perancangan Penjanaan, Perancangan Grid; Perancangan & Strategi Korporat termasuklah Analisa Dalaman dan Luaran, Analisa Persekitaran Perniagaan, Perancangan Perniagaan, Pelaksanaan Rancangan Strategik - pengawasan dan pengauditan prestasi Korporat, Kependudukan Strategik, Pengenalpastian Bidang-Bidang Perniagaan Baru; Pengurusan Isu-Isu Strategik termasuklah Isu-Isu Persaingan, Pengeluar-Pengeluar Kuasa Bebas, Strategi Kawalan, Perumusan Tarif, Analisa dan Kesan-Kesan Kewangan. Strukturnya adalah seperti di Lampiran G.

#### 9.0 Kendalian Sistem Grid

Unit Kendalian Sistem Grid adalah unit baru yang berasingan dan melapor terus kepada Pengerusi Eksekutif. Unit ini bertanggungjawab menyelia, mengawal dan menyelaras perancangan dan pengendalian Sistem Grid; menjalankan fungsi pengawasandan pelaporan sebagaimana yang dikehendaki untuk melaksanakan Kod Grid; memajukan laporan berkala kepada Pemegang-Pemegang Lesen, Jawatankuasa Kod Grid dan Ketua Pengarah Jabatan Bekalan Elektrik; memberikan perkhidmatan untuk menyelaras kemudahan penyambungan; dan menyediakan kepada Ketua Pengarah Jabatan Bekalan Elektrik maklumat yang diperlukan untuk perancangan pembangunan dan pengembangan Sistem Grid. Strukturnya adalah seperti di Lampiran A.

#### 10.0 Yayasan Tenaga Nasional

Yayasan Tenaga Nasional diletakkan terus di bawah Pengerusi Eksekutif Tenaga Nasional Berhad yang juga Pengerusi Lembaga Pemegang Amanah Yayasan dan adalah ditadbir oleh Lembaga Pemegang Amanah. Strukturnya adalah seperti di Lampiran H.

#### 8.0 Corporate Planning Unit

The Corporate Planning Unit is an independent unit which reports directly to the **Executive Chairman**. The Unit is led by the **General Manager (Corporate Planning)** and is responsible for **Technical Planning** which includes Demand Forecasting, Generation Planning, Grid Planning; **Corporate Planning & Strategy** which includes Internal and External Analysis, Business Environmental Analysis, Business Planning, Strategic Plan Implementation - Corporate performance monitoring and auditing, Strategic Positioning, Identification of New Business Areas; **Strategic Issues Management** which includes Competition Issues, Independent Power Producers, Regulation Strategy, Tariff Formulation, Financial Analysis and Impacts. The structure is shown in **Appendix G**.

#### 9.0 Grid System Operation

The Grid System Operation Unit is a new independent unit which reports directly to the **Executive Chairman**. The unit has the responsibilities to supervise, control and coordinate the planning and operation of the Grid System; to perform any monitoring and reporting function as required to implement the Grid Code; to submit periodic reports to the Licensees, Grid Code Committee and the Director General of the Electricity Supply Department; to provide services to coordinate interconnection facilities; and to provide for the Director General the necessary data for the development and expansion plans of the Grid System. The structure is shown in **Appendix A**.

#### 10.0 Yayasan Tenaga Nasional

The Yayasan Tenaga Nasional is placed directly under the **Executive Chairman** of Tenaga Nasional Berhad who is also the **Chairman of the Board of Trustees of Yayasan** and governed by the **Board of Trustees**. The structure is shown in **Appendix H**.

**11.0 Tarikh Kuatkuasa**

Pekeliling ini berkuatkuasa dengan serta merta dan Pekeliling Pengerusi Eksekutif 1/94 yang bertarikh 18 Julai 1994 adalah dibatalkan.



Tan Sri Datuk Haji Dri Ani bin Arope  
**PENGERUSI EKSEKUTIF**  
Tenaga Nasional Berhad

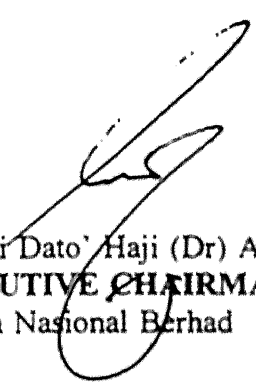
Kuala Lumpur  
25 November 1995

Senarai Edaran 'A'



**11.0 Effective Date**

This Circular will take effect immediately and cancels Executive Chairman's Circular 1/94 dated 18 July 1994.



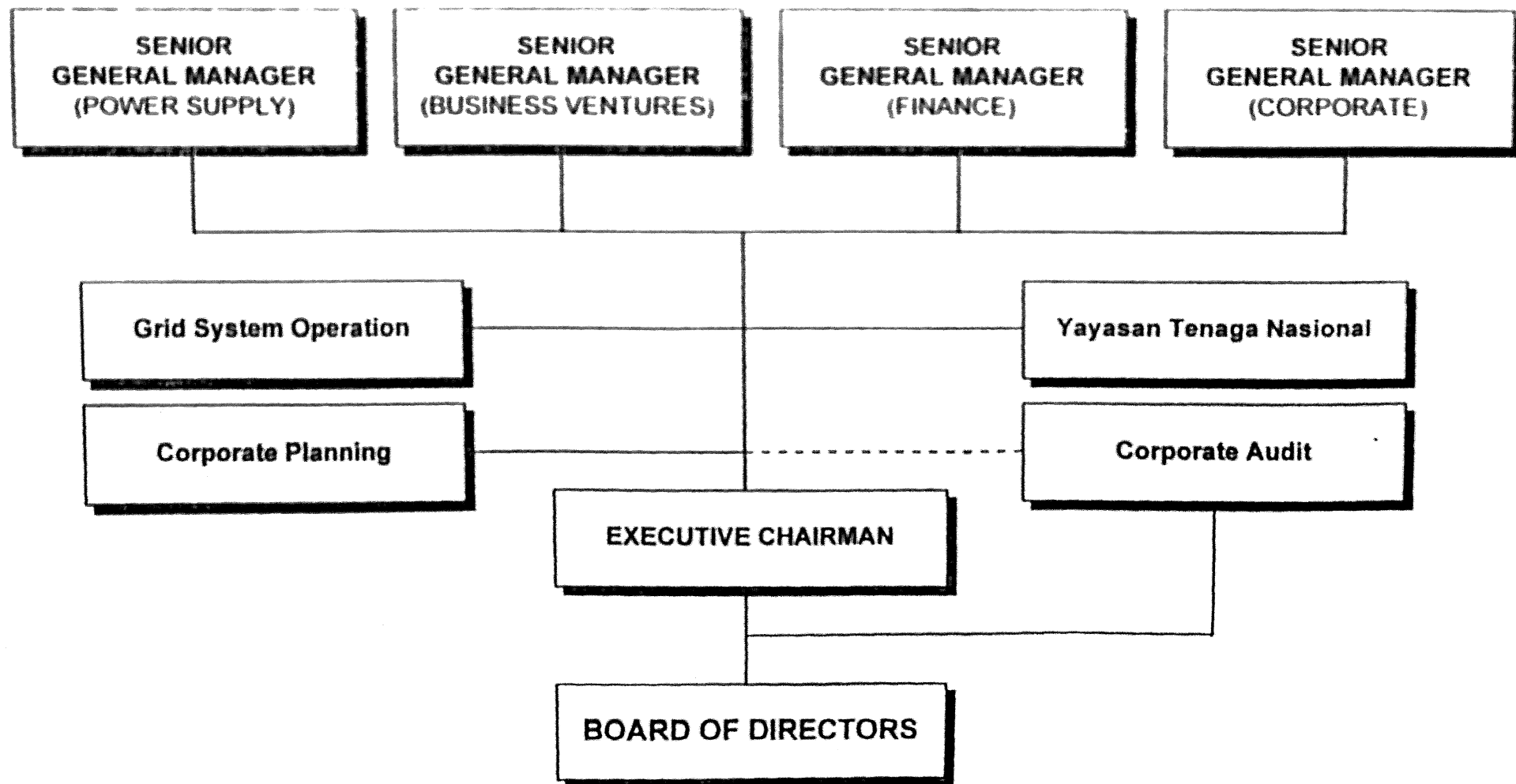
Tan Sri Dato' Haji (Dr) Ani bin Arope  
**EXECUTIVE CHAIRMAN**  
Tenaga Nasional Berhad

Kuala Lumpur  
25 November 1995

Distribution List 'A'

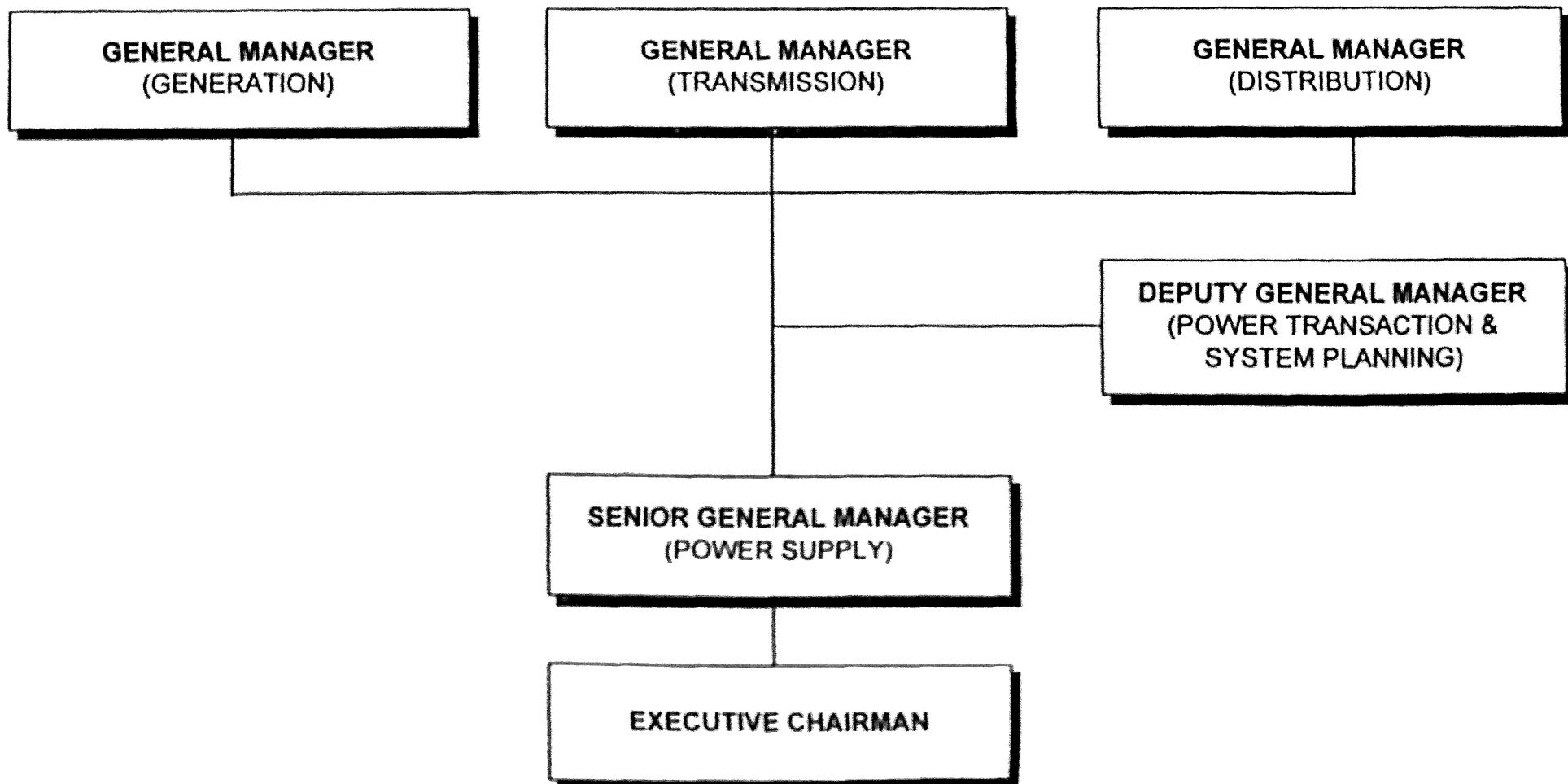
# ORGANISATIONAL STRUCTURE

Lampiran/Appendix A



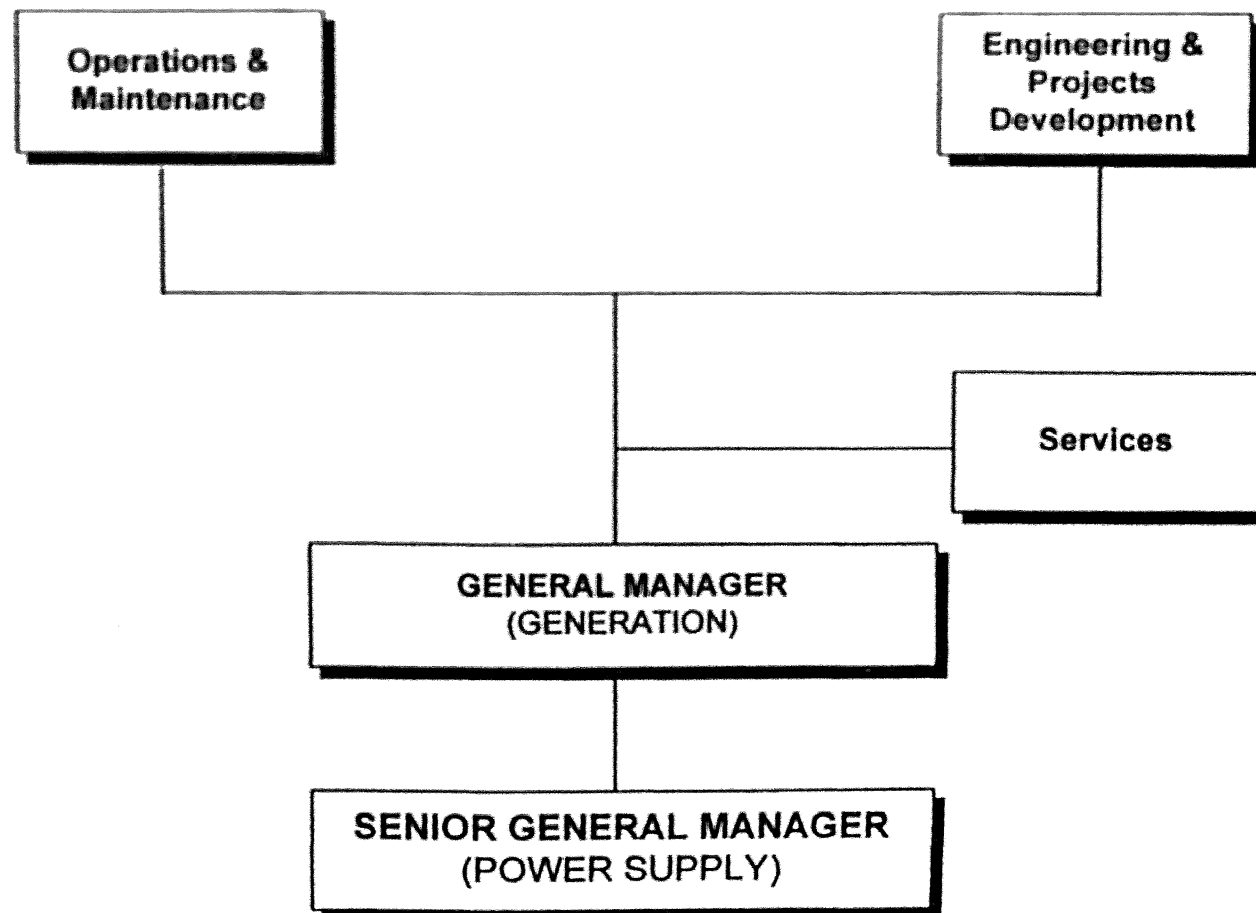
# POWER SUPPLY

Lampiran/Appendix B1



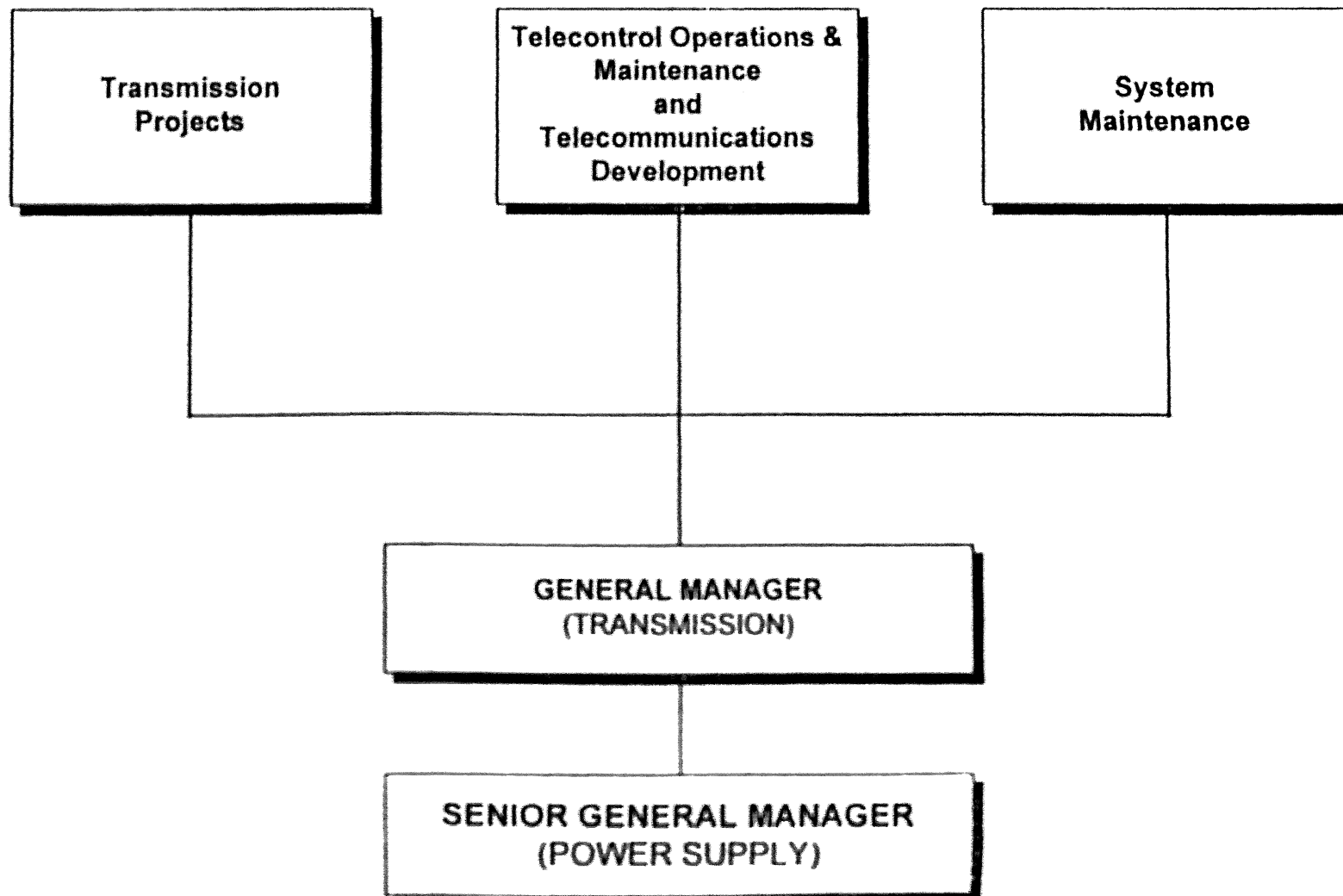
# POWER SUPPLY (GENERATION)

Lampiran/Appendix B2



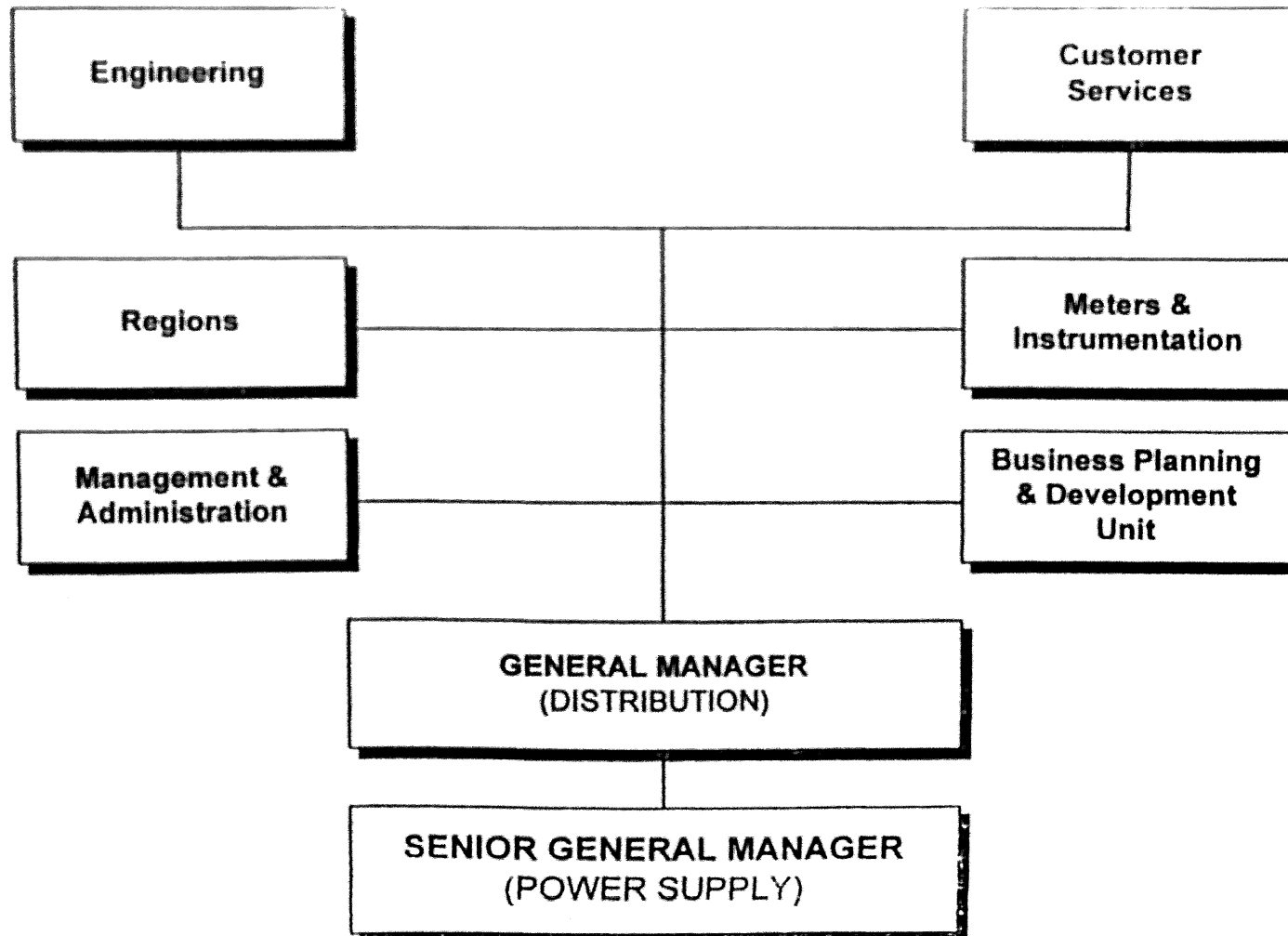
# POWER SUPPLY (TRANSMISSION)

Lampiran/Appendix B3



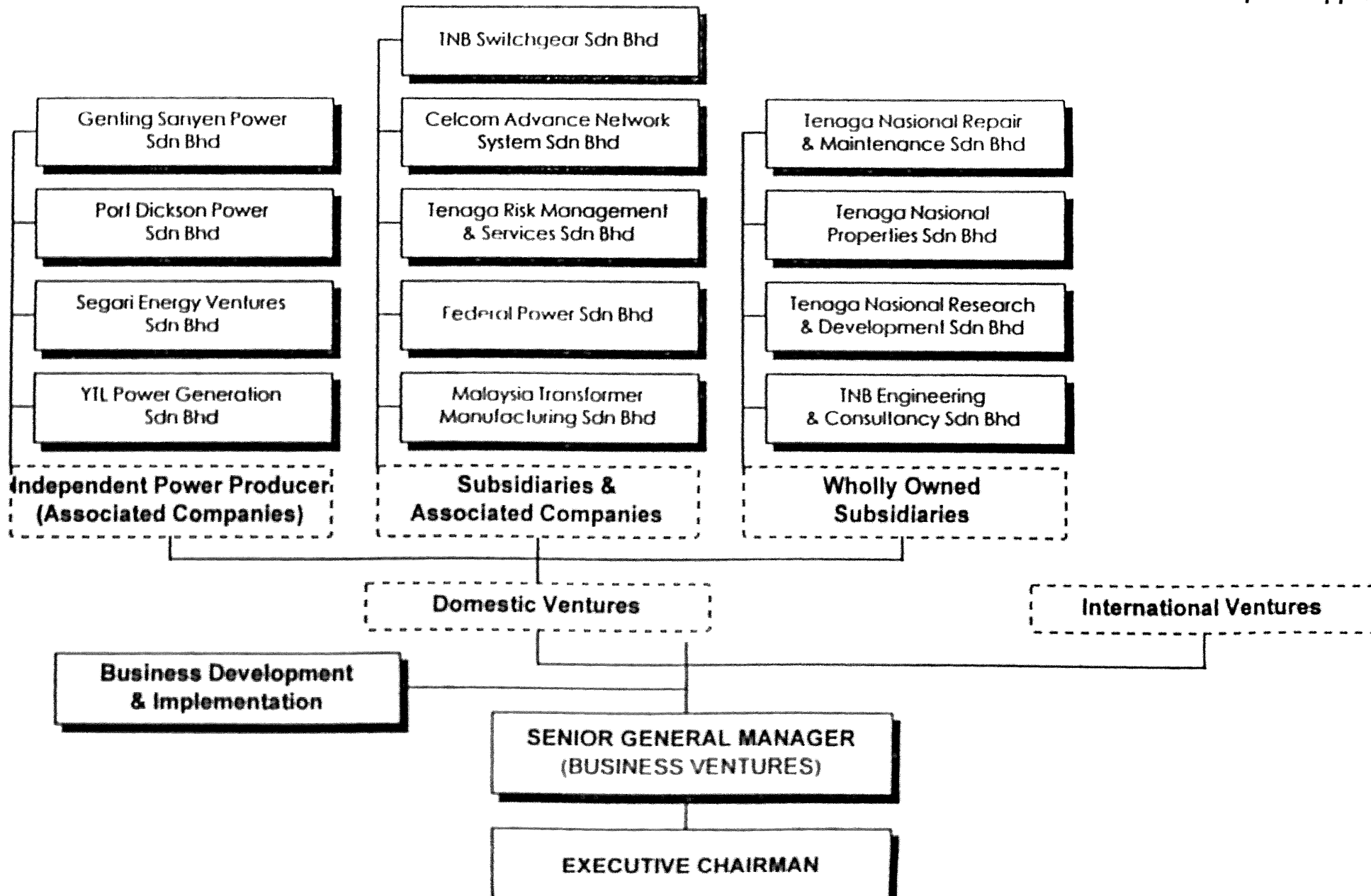
# POWER SUPPLY (DISTRIBUTION)

Lampiran/Appendix B4



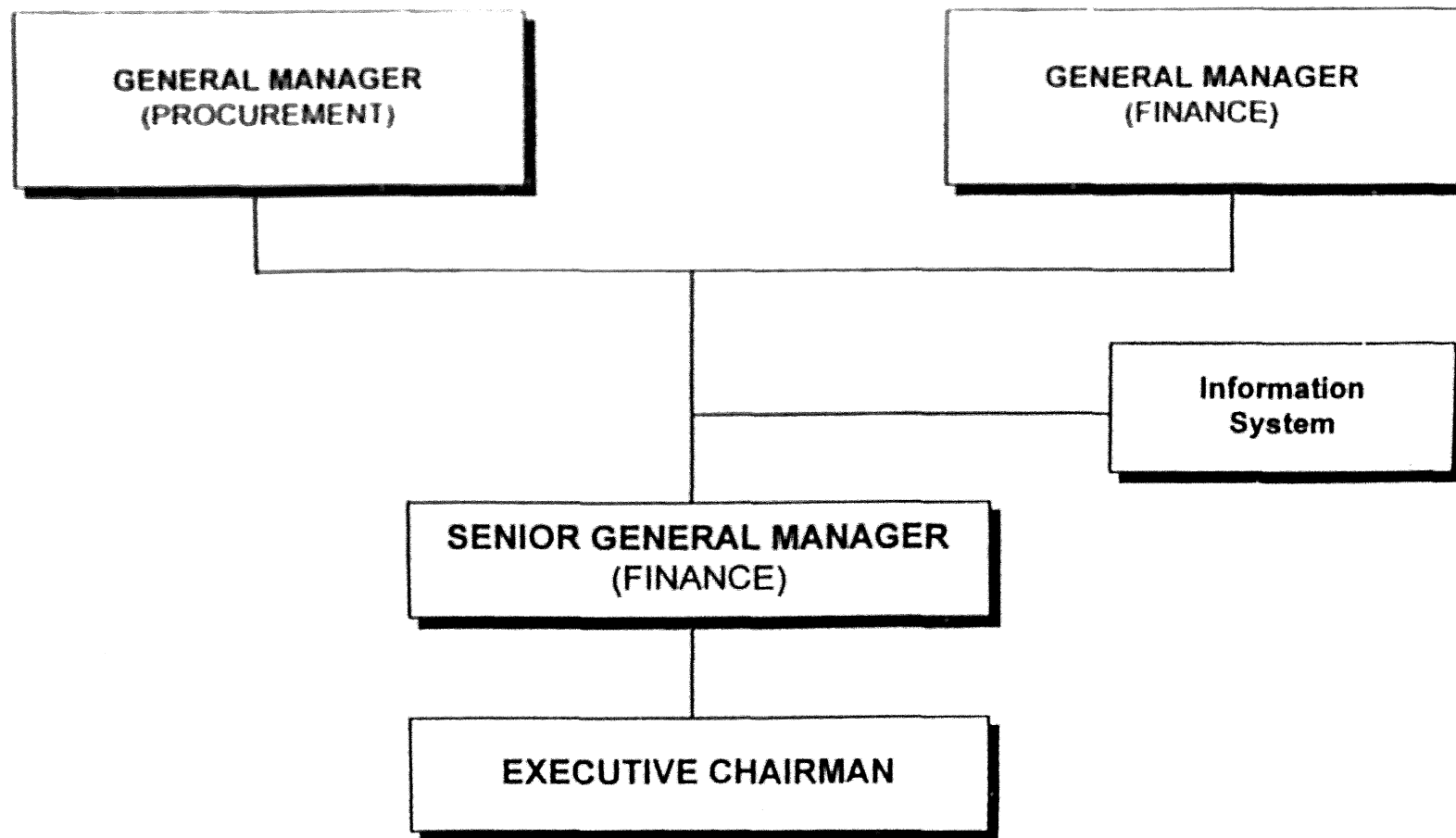
# BUSINESS VENTURES

Lampiran/Appendix C



# FINANCE

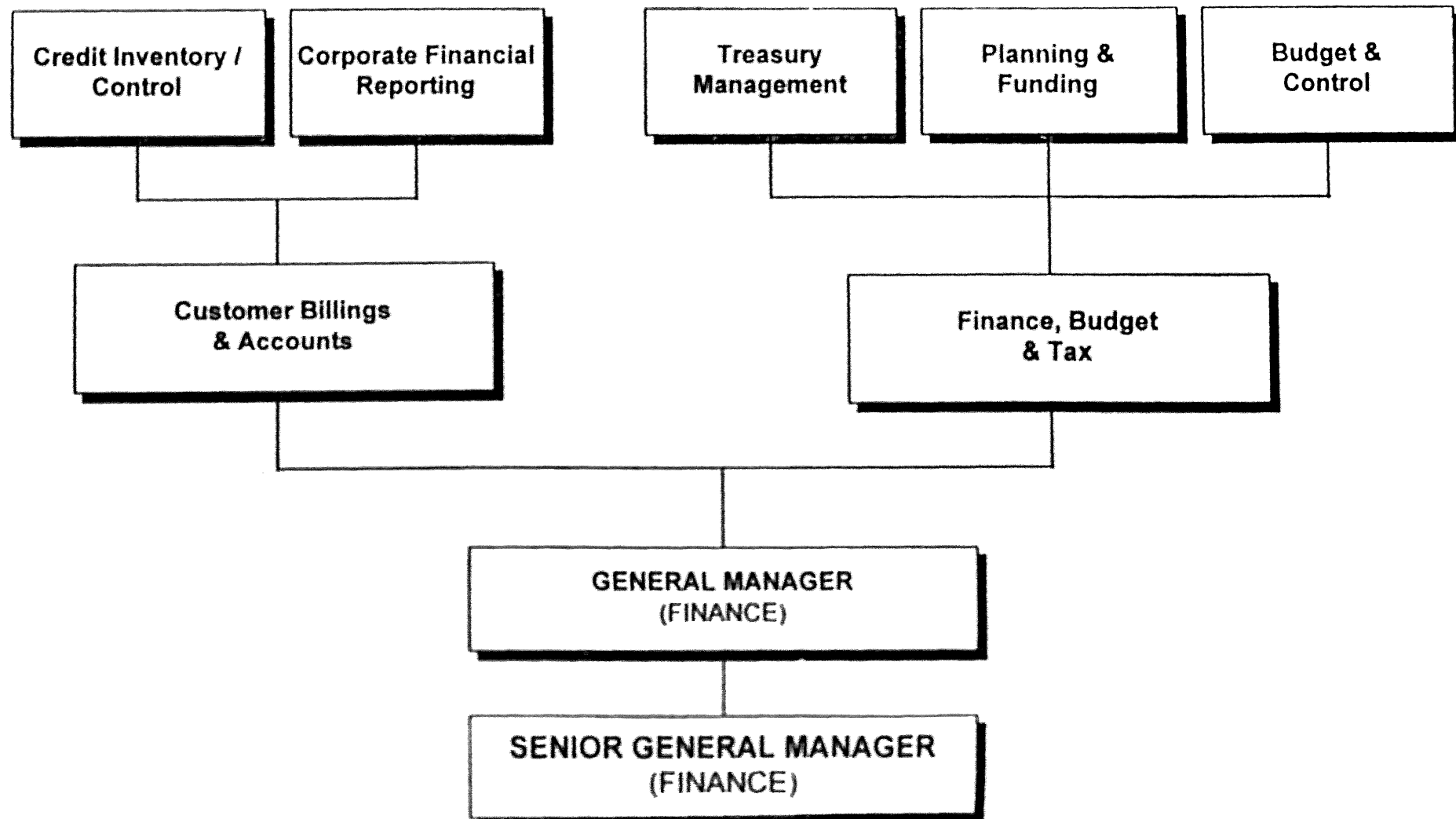
Lampiran/Appendix D1





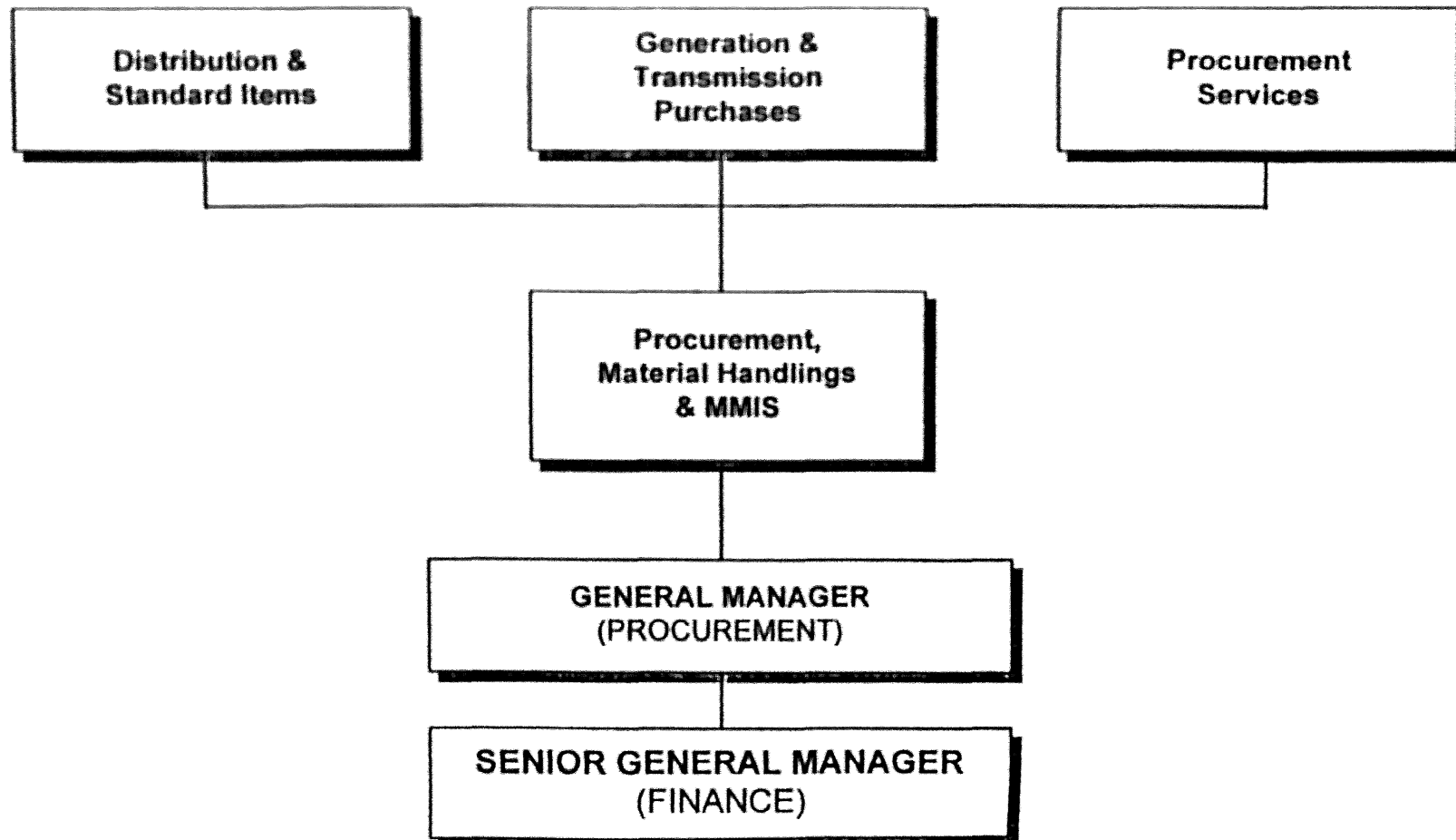
# FINANCE

Lampiran/Appendix D2



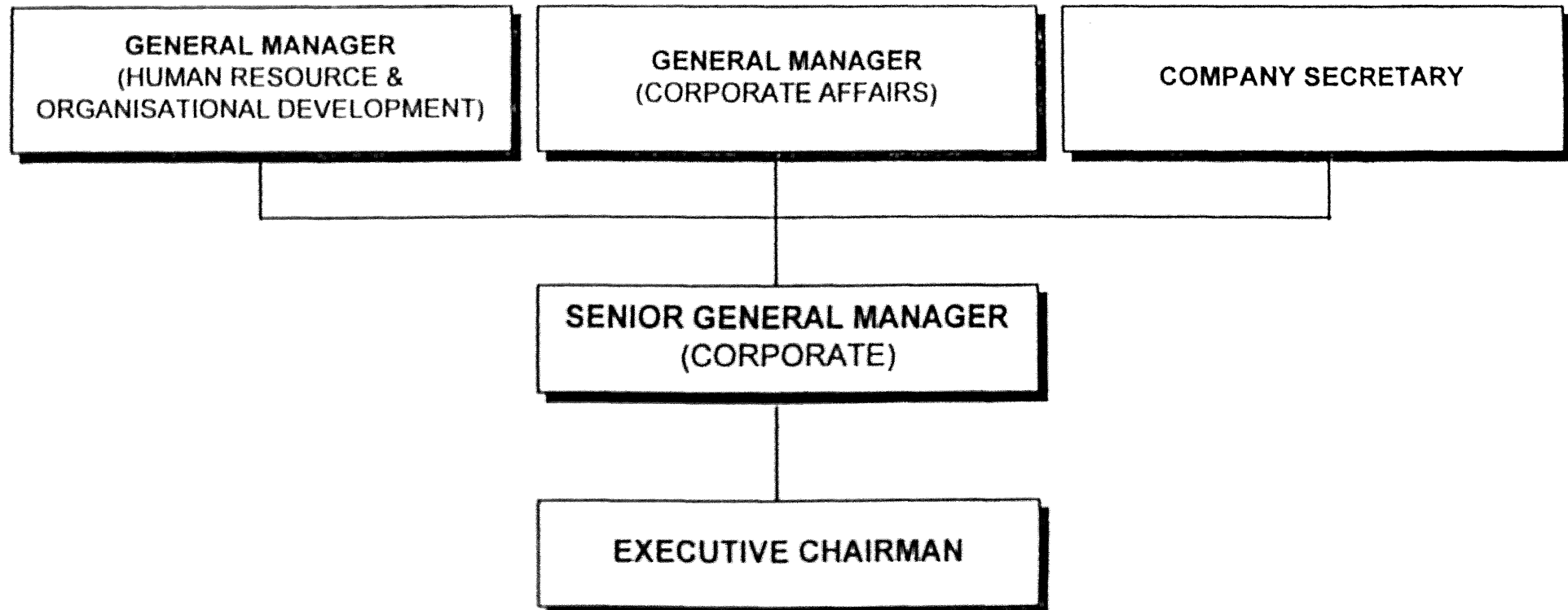
# FINANCE (PROCUREMENT)

Lampiran/Appendix D3



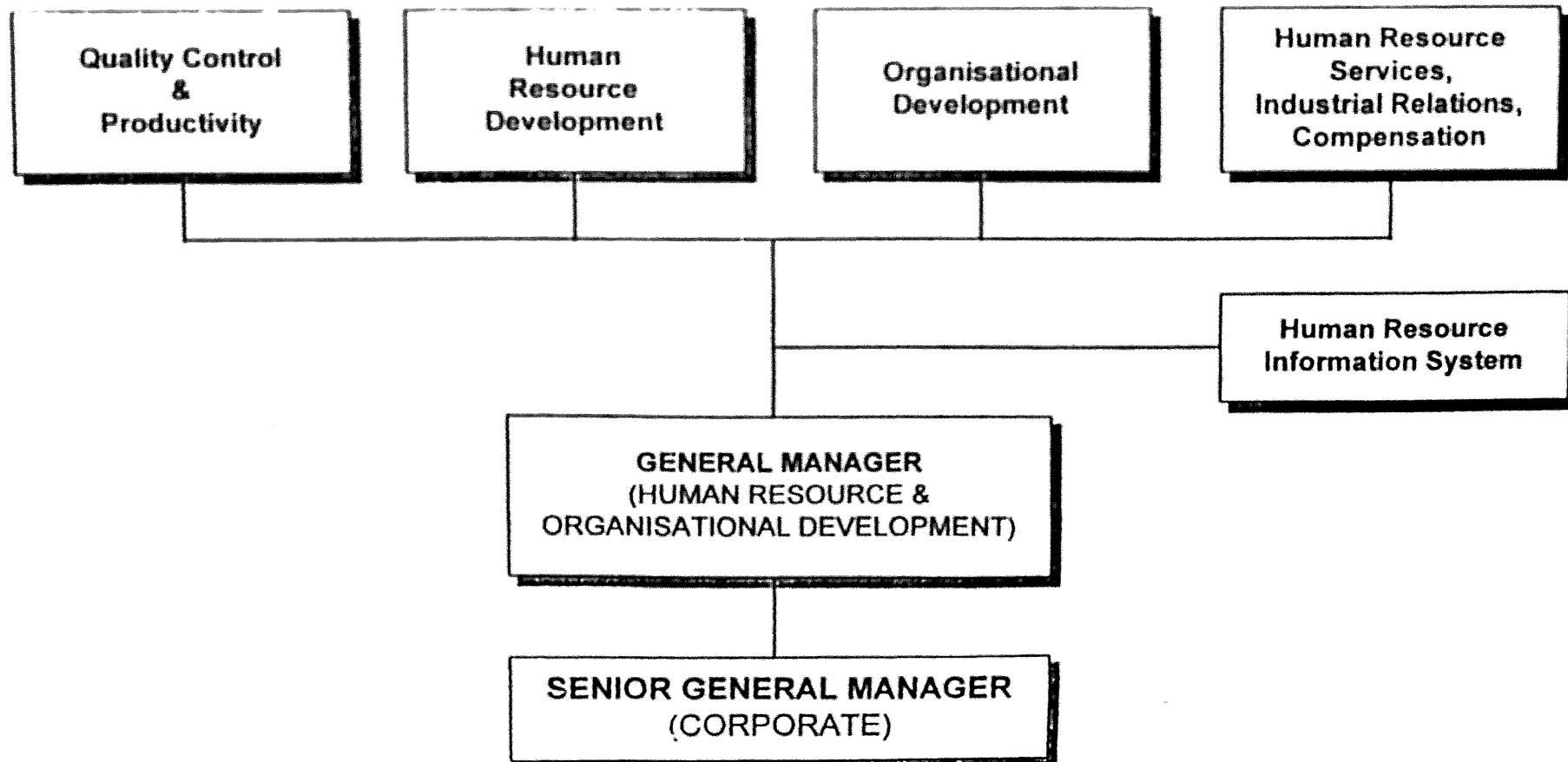
# CORPORATE

Lampiran/Appendix E1



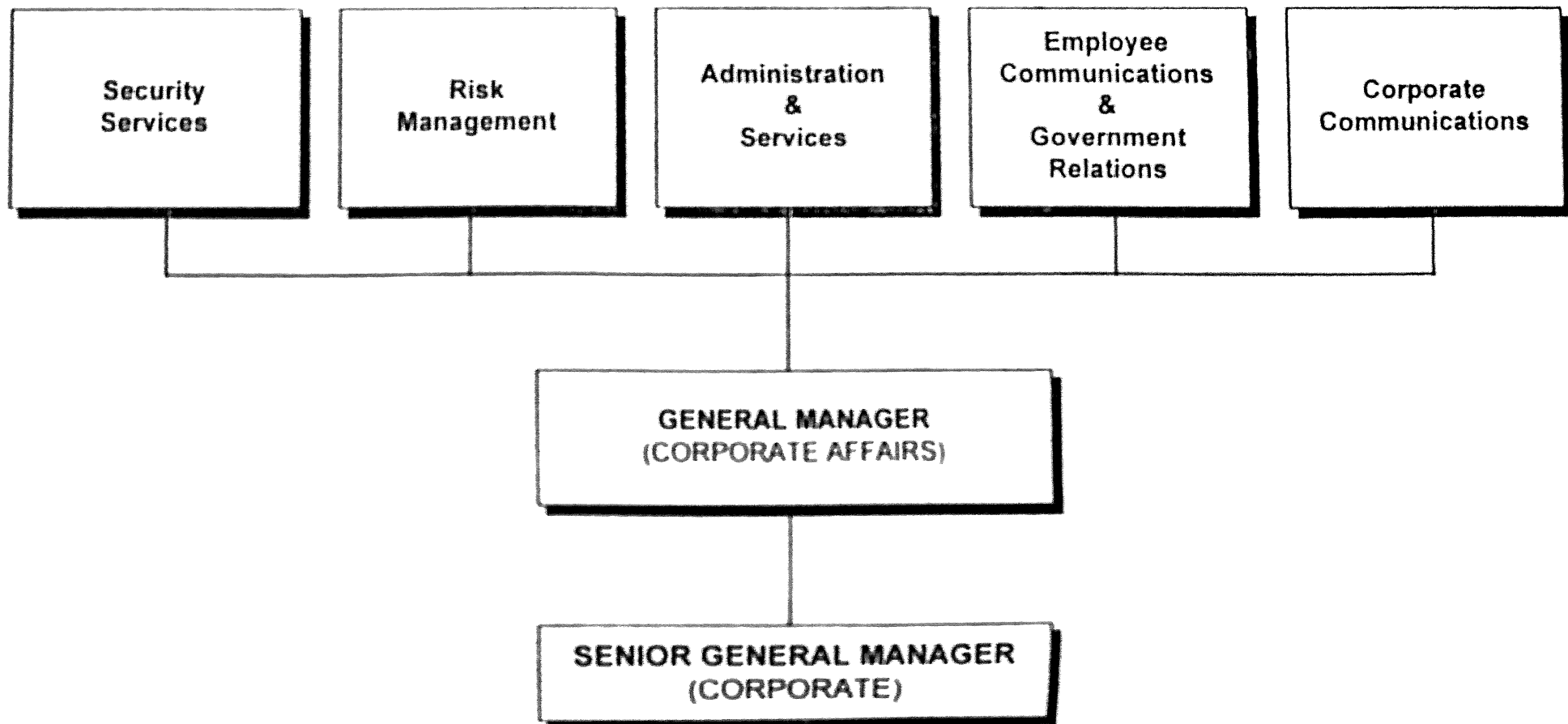
# **CORPORATE (HUMAN RESOURCE & ORGANISATIONAL DEVELOPMENT)**

Lampiran/Appendix E2



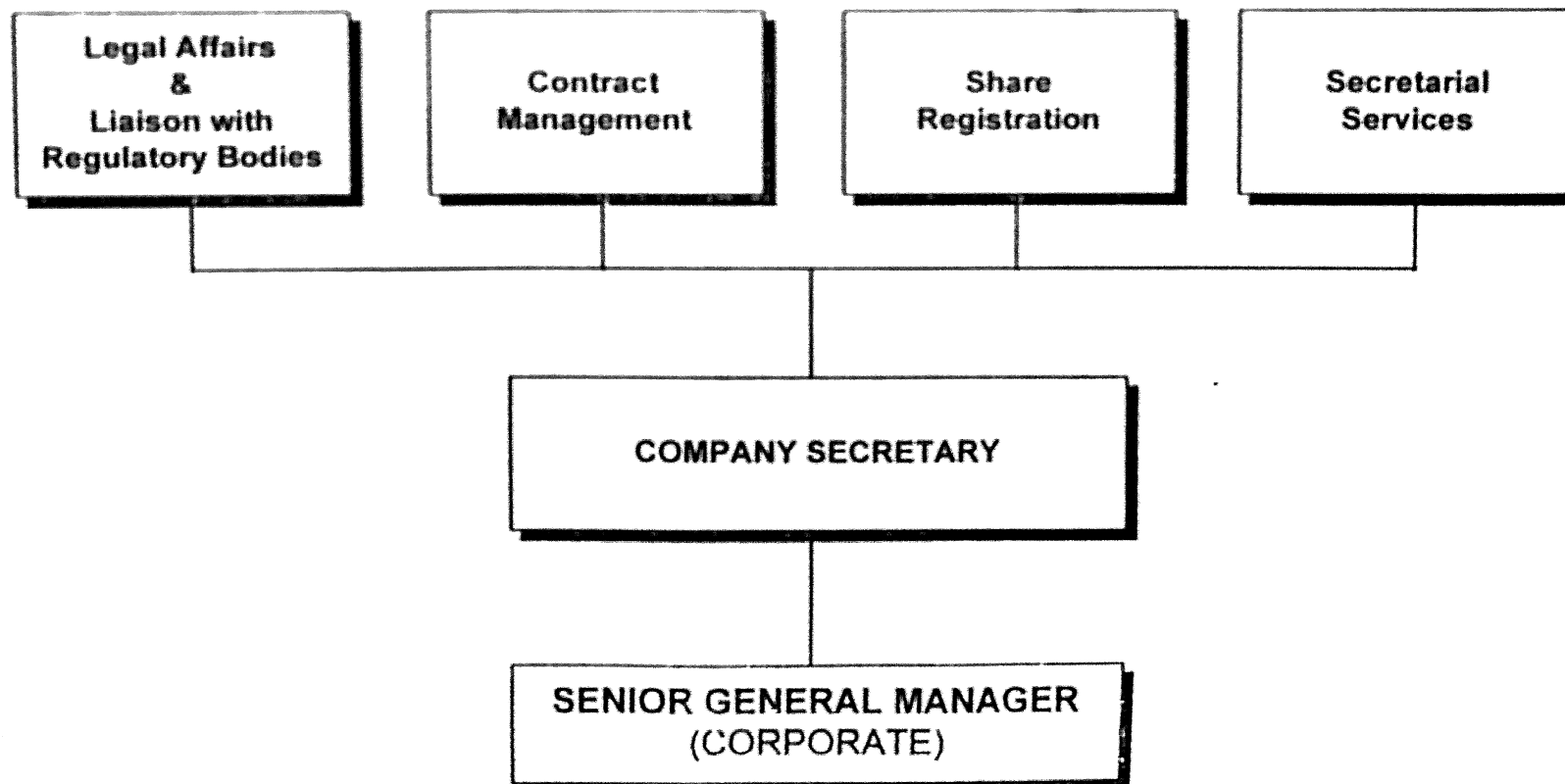
# **CORPORATE (CORPORATE AFFAIRS)**

Lampiran/Appendix E3



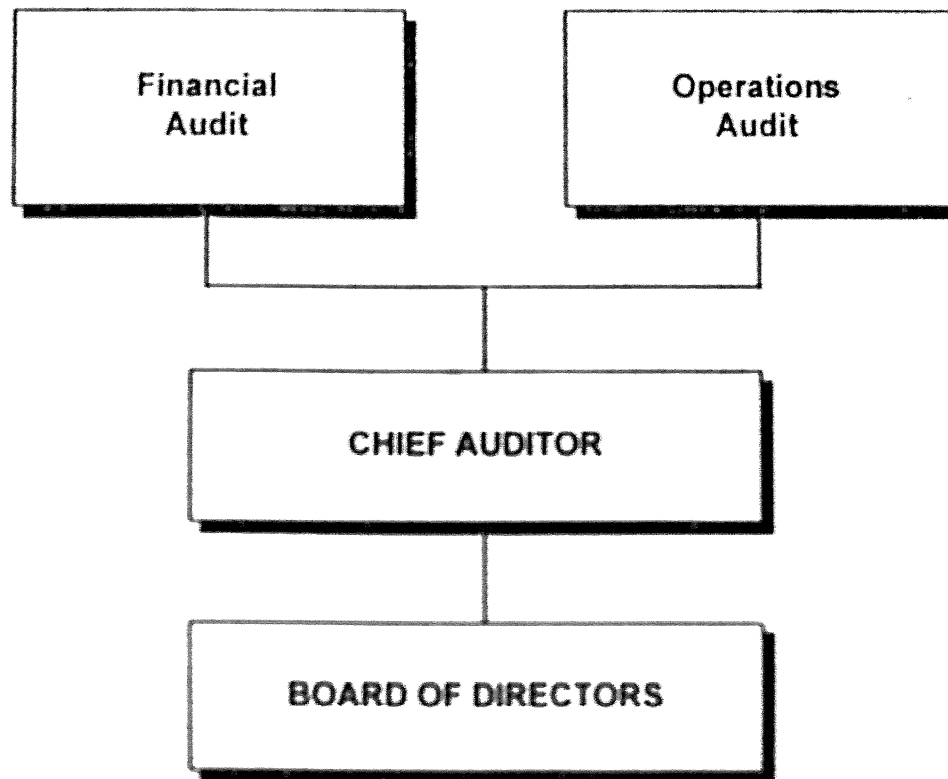
# **CORPORATE (COMPANY SECRETARY)**

Lampiran/Appendix E4



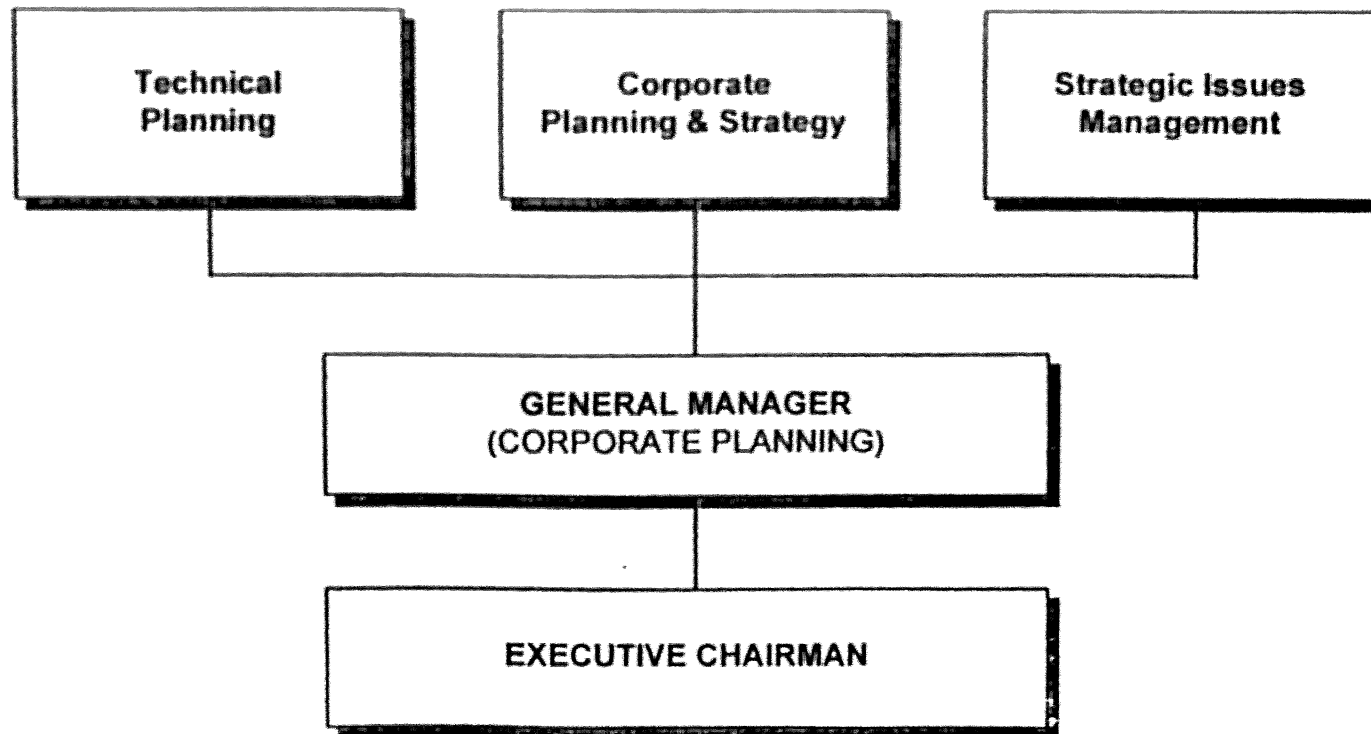
# CORPORATE AUDIT

Lampiran/Appendix F



# CORPORATE PLANNING

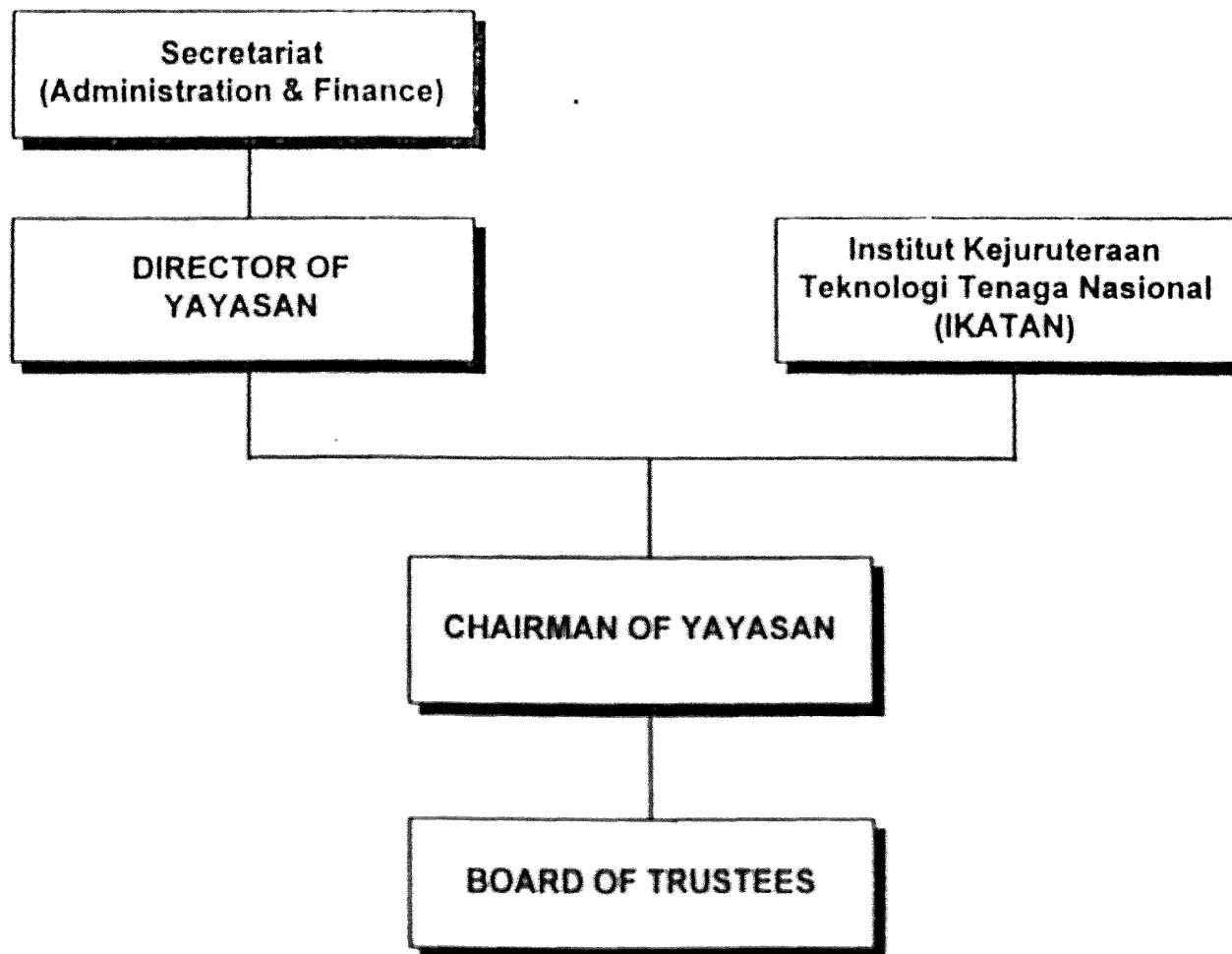
Lampiran/Appendix G





# YAYASAN TENAGA NASIONAL

Lampiran/Appendix H



**APPENDIX 2: MEMORANDUM FOR THE SETTING UP OF  
TENAGA NASIONAL POWER GENERATION SDN.  
BHD.**

## Memorandum to obtain approval for the setting up of a subsidiary company, Tenaga Nasional Power Generation Sdn. Bhd.

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**Objective** The objective of this paper is to obtain approval for the formation of a subsidiary called Tenaga Nasional Power Generation Sdn. Bhd. that deals in power generation related business.

**Background** Malaysia is geographically located in the region where there are more than 280,000MW of installed generation capacity. Another 290,000MW of new installation is needed before the year 2000. This translates to USD232 billion worth of projects; an enormous potential for TNB as an established utility to tap into.

The Generation Division in TNB currently has 640 executives and a total of 2886 staff in the 12 power stations. The staff has the experience in upstream services such as engineering and project development, to its core business of operating and maintenance of power plants and to downstream services such as power transfer and negotiations. The vast amount of expertise and invaluable experience is marketable as a product to the power generation industry.

For the past two years, TNB has gone into the generation business in other countries and also provided services to IPPs in Malaysia. Examples are equity participation in the Liberty Power Project in Pakistan and providing feasibility studies to an IPP in Sabah. TNB was also requested to provide power plant management support service in Pakistan. It has participated in power generation tender exercises in Bangladesh and Sarawak.

While thus far TNB has seen positive development on its external ventures, such non-core business has its downside.

- It exposes TNB to legal liabilities associated with the business.
- Risks in making such investments, though thoroughly evaluated, unnecessarily puts the TNB goodwill at stake.
- The existing bureaucracy has the effect of slowing down the process of decision making. Fast response time is critical in the performance of the business.
- The Economic Planning Unit has decreed that future power plant ups will be on a tender basis. The TNB machinery, with its long established track record, is seen to have an 'unfair' advantage over other potential IPPs in Malaysia. It is able to command its internal system to take advantage of its low overhead cost and other benefits arising from the economies of

scale to push any future power plant proposal it submits in Malaysia to its favour. Such an advantage is deemed unacceptable i.e. the EPU has called for a *level playing field* when it comes to submission of IPP proposals or tender bids.

**Proposal** From the above discussion, it is therefore necessary that a subsidiary be formed to carry out a comprehensive power generation business to include the following :

#### POWER PLANT PACKAGING

To develop power plants in Malaysia and abroad. This include being initiators, sponsors, equity holder, developer, project implementor and operator.

#### DESIGN , ENGINEERING AND MANAGEMENT SERVICES

This include feasibility studies, project evaluation, concept and preliminary design, engineering and design, project management and contract administration.

#### CONTRACTING AND CONSTRUCTION SERVICES

The company will procure and supply power plant equipment including fuel, spares and consumables. It will also construct, commission, operate and maintain power plants.

#### ADVISORY AND CONSULTANCY SERVICES

This service include plant and utility management providing technical and financial advisory services during construction and operating stage of power plants. The company with its vast experience can prepare operating and safety procedures together with advisory services on Human Resource Management. Other services include conducting technical audit of power plants and providing inspection and quality assurance services

The proposed Memorandum of Association is as attached in **Appendix 1.**

**The  
Company**

The proposed subsidiary, to be called Tenaga Nasional Power Generation Sdn. Bhd. (TNPG) will be wholly owned by TNB. It will focus its activities to the power generation business and will be responsible for the development of the generation business outside TNB. It will operate as an independent company answerable to its Board of Directors while protecting the interest of its shareholders, Tenaga Nasional Berhad.

Its product is the expertise and experience in the power generation industry with the background of a reputable utility. It is able to appreciate the requirements of the client as a utility and at the same time provide efficient and professional service at competitive rates. The service provided is almost unique, limited to the few world class utilities that has gone into similar business such as PowerGen of UK and Mission Energy of the US.

Although there are already TNB subsidiaries that perform some of the proposed functions, Tenaga Nasional Power Generation Sdn. Bhd. will be more focused on the power generation industry. It will make use of the resources within TNB to carry out not only power plant projects, but also offer comprehensive power plant services not available through the other subsidiaries such as plant engineering, operation and maintenance services.

**Operation** The subsidiary will initially be a **shell company** operating with minimal staff on assignment mainly from the Generation Division. Basically it will be used as a vehicle for TNB investments and for the generation Division in particular to sell its services. It will operate from the Generation Building in TNB Headquarters. Initially, there will be no formal organisational structure and it will be active only on project to project basis. However, there will be a manager assigned to the company acting as a full time company representative. As the company business grow with increasingly sound financial standing, it will be developed and equipped with the right resources to engage in the industry as a full fledged corporation.

It is proposed that all new power plant projects that TNB intend to undertake be carried out through TNPG. This include power planting up, equity holding, power plant services, etc.

**Financial** The company is proposed to have an initial paid up capital of RM10m in order for the company to have sufficient working capital to provide for its involvement in large power development projects; to buy services from TNB, meet requirements for performance bonds, etc. The authorised capital is proposed to be RM25m.

The minimum required rate of return for projects undertaken by TNPG shall be 15%.

**Action**            The action required is:

To approve the formation and registration of Tenaga Nasional Power Generation Sdn. Bhd. with the Registrar of Companies.

**Decision**

TNPG Formation:            **APPROVED / NOT APPROVED**

Appendix 1: Memorandum & Article of Association

### APPENDIX 3: INTERNAL AUDIT CHECKLIST QUESTIONS

## INTERNAL AUDIT CHECKLIST

### MANAGEMENT

- 1 Does the firm use strategic management concepts?
- 2 Are company objectives and goals measurable and well-communicated?
- 3 Do managers at all hierarchical levels plan effectively?
- 4 Do managers delegate authority well?
- 5 Is the organization's structure appropriate?
- 6 Are job descriptions and job specifications clear?
- 7 Is employee morale high?
- 8 Is employee turnover and absenteeism low?
- 9 Are organizational reward and control mechanisms effective?

### MARKETING

- 1 Are markets segmented effectively?
- 2 Is the organization positioned well among competitors?
- 3 Has the firm's market share been increasing?
- 4 At present channels of distribution reliable and cost-effective?
- 5 Does the firm have an effective sales organization?
- 6 Does the firm conduct market research?
- 7 Is product quality and customer service good?
- 8 Are the firm's products and services priced appropriately?
- 9 Does the firm have an effective promotion, advertising, and publicity strategy?
- 10 Is marketing planning and budgeting effective?
- 11 Do the firm's marketing managers have adequate experience and training?



## FINANCE

1. Where is the firm financially strong and weak as indicated by financial ratio analyses?
2. Can the firm raise needed short-term capital?
3. Can the firm raise needed long-term capital through debt and/or equity?
4. Does the firm have sufficient working capital?
5. Are capital budgeting procedures effective?
6. Are dividend payout policies reasonable?
7. Does the firm have good relations with its investors and stockholders?
8. Are the firm's financial managers' experienced and well-trained?

## PRODUCTION

1. Are suppliers of raw materials, parts, and subassemblies reliable and reasonable?
2. Are facilities, equipment, machinery, and offices in good condition?
3. Are inventory control policies and procedures effective?
4. Are quality-control policies and procedures effective?
5. Are facilities, resources, and markets strategically located?
6. Does the firm have technological competencies?

## RESEARCH AND DEVELOPMENT

1. Does the firm have R&D facilities? Are they adequate?
2. If outside R & D firms are used, are they cost-effective?
3. Are the organization's R & D personnel well-qualified?
4. Are R & D resources allocated effectively?
5. Are management information and computer systems adequate?
6. Is communication between R & D and other organizational units effective?
7. Are present products technologically competitive?

### COMPUTER INFORMATION SYSTEMS

- 1 Do all managers in the firm use the information system to make decisions?
- 2 Is there a chief information officers or director of information systems position in the firm?
- 3 Are data in the information system updated regularly?
- 4 Do managers from all functional areas of the firm contribute input to the information system?
- 5 Are there effective passwords for entry into the firm's information system?
- 6 Are strategies of the firm familiar with the information systems or rival firms?
- 7 Is the information system user-friendly?
- 8 Do all users of the information system understand the competitive advantages that information can provide firms?
- 9 Are computer training workshops provided for users of the information system?
- 10 Is the firm's information system continually being improved in content and user-friendliness?

## **APPENDIX 4: CUSTOMER PROFILE SURVEY QUESTIONS**

**Customer Profile Survey- Please return to E&PD, TNB (Fax 03 - 2821089).**  
Please circle your answer to the questions below. You may circle more than one answer. All answers will be treated as confidential. **Please do not write company name.**

**(i) About your company:**

**1. What is the nature of your business?**

- |                       |                      |
|-----------------------|----------------------|
| A. Capital Investment | D. Trading           |
| B. Utility services   | E. Project developer |
| C. Manufacturing      | F. Engineering       |

Others (please specify) .....

**2. What is your authorised capital?**

- |                         |                             |
|-------------------------|-----------------------------|
| A. Up to RM 50,000      | D. RM500001 to RM 1 million |
| B. RM50001 to RM100,000 | E. RM 1 m to RM 5 m         |
| C. RM100001 to RM500,00 | F. exceed RM 5m             |

**3. The number of direct employees?**

- |              |                  |             |
|--------------|------------------|-------------|
| A. Up to 10  | B. 11 - 50       | C. 50 - 100 |
| D. 100 - 500 | E. more than 500 |             |

**4. Annual turnover**

- A. Up to RM500,000
- B. Up to RM 1 million
- C. Up to RM 5 million
- D. Up to RM 10 million
- E. Up to 100 million
- F. More than 100 million

**(ii) The services that you look for:**

**5. The types of services that you have sought or will seek**

- |                                  |                                 |
|----------------------------------|---------------------------------|
| A. project Consultancy           | E. project engineering & design |
| B. specialist services           | F. project management           |
| C. project packaging             | G. Operation & Maintenance      |
| D. engineering advisory services |                                 |

others (please specify) .....

**6. The areas that you seek service in (present & future):**

- |                       |                       |
|-----------------------|-----------------------|
| A. power generation   | B. power transmission |
| C. power distribution | D. total power system |
| E. hydrology          | F. others: .....      |

7. Where are the places that you have projects in?

- A. Malaysia
- B. ASEAN
- C. Asia Pacific
- D. Global

8. Please give an example of your biggest project that makes use of external services:

.....

9. Where do you think you will venture into in the next 5 years?

- |              |           |
|--------------|-----------|
| A. Malaysia  | E. Asia   |
| B. ASEAN     | F. Europe |
| C. East Asia | G. Africa |
| D. Americas  |           |

(iii) About the service

10. What are the three most important factors in engaging external services?

- |                       |                                 |
|-----------------------|---------------------------------|
| A. Cost               | B. reputation for quality       |
| C. Speed              | D. minimum technical compliance |
| E. experience         | F. service flexibility          |
| G. personnel attitude | H. origin of services company   |

others: .....

11. Please rank the following (1-most important, 5 least important) for defining quality service?

- |                                   |       |
|-----------------------------------|-------|
| A. Completion of project on time  | Rank: |
| B. Good rapport with client       | Rank: |
| C. Having sophisticated equipment | Rank: |
| D. Keep project within budget     | Rank: |
| E. Source of accurate information | Rank: |

F. Others.....

12. Where do you select your services from?

- A. advertisements
- B. brochures
- C. colleagues
- D. completed projects as reference

others: .....

**13. Do you wish to receive technical services information via the Internet?**

**A. No            B. Yes (kindly provide address:.....)**

**14. If you have used our services before please provide us with feedback to enable us to improve our services.**

## APPENDIX 5: EXPATRIATE COMPENSATION CALCULATIONS

# Expatriate Compensation Service (ECS)

	Home City Kuala Lumpur	Host City Taipei
	MYR	NTD
1 Gross Home Country Pay	150,000	
• Personal Income Tax	35,483	
• Social Security	18,000	
2 Net Home Country Pay	96,517	
3 Home Country Deductions		
• Housing	19,303	
• Savings	9,652	
• Miscellaneous Expenses	9,652	
4 Net Home Country Spendable Income	57,910	
Part of Spendable Income to adjust in % 100		
Cost-of-Living Index (Home=100)	131.0	
Exchange Rate	10.886000	
Cost-of-Living Allowance	17,952	
5 Adjusted Spendable Income in Host Country	75,862	825,838
6 Additions to Host Country Spendable Income		
• Housing		
• Education		
• Other		
• Savings	9,652	105,068
• Miscellaneous	9,652	105,068
7 Net Host Country Pay	95,166	1,035,974
8 Foreign Service Premiums and Adjustments		
• F S Premium	15,000	163,290
• Other		
• Q O L Allowance	11,250	122,468
Net Pay Elsewhere		
9 Total Net Host Country Pay	121,416	1,321,732
• Social Security	14,347	156,181
• Personal Tax	18,000	195,948
10 Gross Host Country Pay	153,763	1,673,861
Local Market Salary Levels		